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**FISCAL IMPACT STATEMENT**

**LS 6965**

**BILL NUMBER:** SB 158

**NOTE PREPARED:** Feb 14, 2007

**BILL AMENDED:** Feb 13, 2007

**SUBJECT:** Corn checkoffs.

**FIRST AUTHOR:** Sen. Gard

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill makes changes to the corn marketing law. The bill provides that thirty percent (30%) of the money in the Corn Market Development Account may be used for promotion of the corn industry for grants recommended by the Department of Agriculture and the Economic Development Corporation. This bill provides that the Corn Marketing Council may spend money for economic development of the corn industry in addition to the thirty percent (30%) used for grants recommended by the Department of Agriculture and the Economic Development Corporation. The bill also provides that a producer has 180 days to claim a refund. This bill provides for an annual audit of the Corn Marketing Council (Council). The bill requires the Council to have an annual audit. The bill also provides that the Council may audit first purchasers. This bill specifies that if the Council requires an audit, the Council must pay for the audit. The bill provides that if the Council establishes ad hoc committees, the committees must include representatives of first purchasers. The bill also provides for a referendum to be conducted on the corn marketing program every five years.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** (Revised) This bill changes:

- (1) the amount of funds the Corn Marketing Council (CMC) may use in the Corn Market Development Account; and
- (2) the way the CMC can expend the funds from the Account.

(1) Under current law, the CMC can spend 25% of the Account on administrative expenses if the balance is below \$500,000. Once the balance is above \$500,000, then an additional amount of not more than 10% of the Account balance which is above \$500,000 may be spent on administrative expenses. This bill

eliminates these restrictions and provides that the Account shall be used to administer IC 15-4-10. Therefore, the bill allows any amount of the balance at anytime to be spent on administrative expenses.

(2) Under current law, the CMC could use the money from the Account only for administrative expenses and the purpose of market development. The bill adds the purposes of promotion, research, industry information, and consumer information. (The bill defines each of these new purposes.)

The bill also decreases the number of times the CMC must meet each year from four to three. The bill requires the CMC to adopt bylaws and operating procedures as well.

**Explanation of State Revenues:** (Revised) The bill also allows the 30% of the money collected by the Council may be used to provide economic development grants recommended by the Department of Agriculture and the Indiana Economic Development Corporation. This provision will shift revenue from one use to another, but will not impact the overall revenue deposited in the Corn Marketing Development Account under current law.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Corn Marketing Council; Department of Agriculture; Indiana Economic Development Corporation.

**Local Agencies Affected:**

**Information Sources:** Chris Novak, Indiana Corn Growers Association, 317-347-3620.

**Fiscal Analyst:** Adam Brown, 317-232-9854